

## ARMIES TAKE POSITIONS FOR BATTLE UNDER WALLS OF PARIS; GERMANS CHECKED AT VERDUN—CZAR'S LEGIONS ADVANCING



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### BANKERS' SYNDICATE PLANNED TO RAISE \$150,000,000 IN GOLD TO PAY OBLIGATIONS ABROAD

Federal Reserve Board and Clearing House Associations of Country Join Hands to Clear the Foreign Exchange Muddle

### DECISION REACHED TO ORGANIZE TO OPEN RESERVE BANKS AT ONCE

WASHINGTON, Sept. 4.—The conference at the Treasury Department to-day between the Federal Reserve Board and the representatives of the Clearing House Associations from all parts of the country resulted in action which probably will clear away the difficulties growing out of the present troublesome foreign exchange situation.

The bankers were practically unanimous in the opinion that the United States must meet its present obligations to Europe in gold if it is demanded. No definite plan was adopted, but a most encouraging disposition was shown by the bankers to cooperate in the creation of a gold fund to meet the emergency.

A committee headed by James B. Forgan, president of the First National Bank of Chicago, was appointed to formulate a plan and submit it to the Federal Reserve Board.

The sub-committee completed its report shortly before midnight. Mr. Forgan, the chairman declared that he will present the report to-morrow morning to Charles S. Hamlin, governor of the Federal Reserve Board. Mr. Forgan declined to make public the board's recommendation.

It is understood that the committee worked on a plan which contemplates the organization of a syndicate which will underwrite a certain amount of gold to be used in caring for the present foreign exchange situation. The banks from all parts of the country, according to the plan, will share in the responsibility of this syndicate.

#### Not a New York Problem.

The syndicate would be an entirely voluntary matter, but most of the bankers who attended to-day's conference were united in the opinion that the foreign exchange situation was not a problem local to New York or any other large center, but affects the entire United States.

No definite estimate was obtainable to-night as to the amount of gold that may be required to meet the situation, but it was reported that the committee was considering the underwriting of \$150,000,000. Many of the bankers believe that Europe as soon as it became apparent that the United States stood ready to meet its obligations in gold would not be so eager in its demands and that only a part of the sum actually underwritten would be necessary.

The conference to-day resulted in a decision to organize and open the Federal reserve banks at the earliest possible moment. The representatives of the clearing house associations reported in detail the conditions in their districts, and

the conference reflected a spirit of optimism. One notable result of the conference was the convincing of the Federal Reserve Board that the bankers stand ready to cooperate with it to the fullest extent in the transition from the old to the new system. This meeting between the bankers and the Federal Reserve Board has eliminated any fear that the board may have had that certain banks of the country would attempt to "grab" for a gold supply when the present reserves are released, with a view to making shipments abroad.

#### Result of Meeting.

This statement was issued after the conference: "The conference this morning was very largely attended, the whole country being represented. Reports were made as to commercial and credit conditions in different sections of the United States and discussed at some length. A spirit of optimism prevailed throughout the whole meeting. The Secretary announced the intention of the Federal Reserve Board to organize and open the reserve banks at the earliest possible moment. "Representatives of banks extended to the Secretary and the board assurances of their most complete cooperation. The Secretary also assured the representatives present that every effort would be made by the board to facilitate and ease the transition from the old to the new system of banking.

"A careful inquiry was made as to commercial debts and credits of the United States with other nations. "The conference, after further discussion, chose J. B. Forgan of Chicago as chairman and authorized him to appoint a committee, of which he was to be a member, to consider further and exchange situation and to formulate a plan and submit it with recommendations to the Federal Reserve Board. The following is the committee appointed: "J. B. Forgan, First National Bank of Chicago, chairman; Benjamin Strong, Jr., vice-president of the Bankers Trust Company of New York; L. L. Hue of Philadelphia; Solomon Wexler of New Orleans; T. P. Deal of Boston.

#### Cities Represented.

"The following were the Clearing House Associations represented: Atlanta, John K. Otley; Baltimore, C. C. Homer, Jr.; Boston, D. G. Wing and Thomas P. Deal; Chicago, George M. Reynolds, E. D. Hulbert and James B. Forgan; Cincinnati, W. S. Rowe; Cleveland, John Sherman and J. J. Sullivan; Dallas, J. Howard Ardrey and Nathan Adams; Denver, Charles S. Haughwout and Theodore G. Smith; Kansas City, George S. Hovey, J. Z. Miller, E. F. Swinney and J. W. Perry; Minneapolis, E. W. Decker, F. M. Prince and F. A. Chamberlain.

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THE picture on the left shows a regiment of Highlanders (part of the expeditionary force sent by England to help France) crossing a square in Boulogne on its way to join the allied army at the front. These troops have been fighting under Field Marshal Sir John French.

On the right is a photograph of the Czar sampling the food served to Russian soldiers. Not satisfied with reports that the rations were of the best, the Czar insisted on tasting them himself, and much of the reported success of the Russian army is declared to be due to the Emperor's personal supervision of the equipment. The Grand Duke Nicholas, Generalissimo of the Russian army, is shown on the right.

### HINTS AT GREAT NAVAL BATTLE OFF KIEL CANAL

British Admiralty Says News of German Defeat Came From Trustworthy Source.

By Central News of London.

LONDON, September 5.

The following statement has been issued by the official information bureau of the War Office and the Admiralty:

"According to information derived from a trustworthy source seven German destroyers and torpedo boats have arrived at Kiel in a damaged condition, and it is understood that others have been sunk in the vicinity of the Kiel Canal."

"The Daily Chronicle mentions three possible theories in explanation of the statement.

The first theory, to which the Chronicle inclines, is that the ships were damaged in the naval battle off Heligoland on August 23. The second is that they have encountered Russian ships in the Baltic and the third that they have encountered British ships in the Baltic.

The Chronicle says that while Wilhelmshaven, Bremerhaven and Cuxhaven would be far nearer ports for vessels damaged in Heligoland than Kiel, sixty miles away by canal, Kiel is the naval repair headquarters. The Chronicle opposes to the second theory the continued reports that the Russian fleet is bottled up by the Germans in the Baltic and to the second theory the lack of any information that the British fleet has made any effort to reach the Baltic.

### KIEL CANAL REOPENED.

Special Cable Dispatch to The Sun. COPENHAGEN, Sept. 3, via London, Sept. 4.—The German Government has notified ship owners that the Kiel Canal has been reopened for commercial traffic. Only a limited number of ships will be allowed to pass.

### HIGH OFFICERS WOUNDED.

Brig.-Gen. Scott-Kerr, of Second Infantry Brigade, in List. By Central News of London. LONDON, Sept. 4.—The list of wounded officers published to-night includes Brig.-Gen. Robert Scott-Kerr, brigade commander of the Second Infantry Brigade. His record extends from the Zulu campaign of 1879 to the Boer war, in which he won high honors. Another wounded officer is Lieut.-Col. the Hon. Henry George Morris, commanding the first battalion of the Irish Guards. He is brother and heir presumptive of Baron Killanin.

### WAR NEWS IN BRIEF

FRANCE.—Paris is awaiting news of the great battle that is expected at any moment to begin around the city's outlying forts. The opposing armies, according to official announcements, have not yet come into contact, but continue their movements taking positions. The War Office declares that the Germans have been checked at Verdun and that the French armies have met with success in Lorraine and the Vosges. Thousands of Parisians are taking advantage of the free trains to points outside the military zone. British, French and Belgian wounded are being transferred from Paris to other cities. The principal newspapers of Paris have transferred their offices to Bordeaux.

GREAT BRITAIN.—The Admiralty reports that they received information from trustworthy sources that seven torpedo boats and destroyers went into Wilhelmshaven in a damaged condition and that several more were sunk near the Kiel Canal. The British torpedo boat Speedy is reported to have been sunk by striking a mine in the North Sea. Premier Asquith in an address at a meeting in Guildhall, London, called upon every able bodied Briton to enlist. He announced that between 250,000 and 300,000 men have responded to Earl Kitchener's call for recruits. He says

that he believes the war will be a long one, that the nation will struggle to the end and that it must stand by the allies. RUSSIA.—A despatch from Rome announces that six German army corps have been sent from France to repel the Russian advance in East Prussia and Galicia. An official statement issued from St. Petersburg says that the Austrians are retreating after desperate fighting near Halicz, leaving 4,500 dead on the field, that the Austrian attack in front of Warsaw was repulsed and that the Russians have now taken the offensive. The commander in chief of the army has notified the Czar of the occupation of Lemberg, and has asked that in recognition of their services the order of St. George be conferred on Gen. Ruzsky and Gen. Brussiloff. The operations are said to extend over a front of 200 miles, which was held by a million and a half men. The Austrians' extreme right is said to have suffered enormous loss.

TURKEY.—The Turkish Ambassador at Washington asserts that Turkey has not declared war. A report was received in Washington to the effect that if Turkey enters the war on the side of Germany, Japan will send troops to the assistance of the allies.

### RUSSIANS HURRYING THROUGH BRITAIN

Cedric Passengers Hear 72,000 Have Landed—East Indians in Canada.

Passengers reaching here yesterday from England in the Cedric reported extensive movements of Russian troops through Great Britain.

Capt. J. C. Carter of the Cedric said he heard that Russian troops were being landed at Aberdeen the day before the Cedric left Liverpool. Other passengers said they had seen trainloads of Russian troops passing through England. They could form no estimate of the number, but said they had heard that 75,000 had been landed.

Passengers on the Mauretania told similar stories of the Russian movement on Thursday.

WINNIPEG, Sept. 4.—East Indian troops are passing constantly through here en route to the St. Lawrence, Sikhs and Gurkhas form most of the battalions. No mention of the movement, however, is being made by the Canadian press.

### KRONSTADT MAY CHANGE NAME.

Inhabitants Suggest Benetsegored or Koltingorod. By B. W. NORREGAARD. Special correspondent of The Sun and the London Daily Mail. St. Petersburg, Sept. 4.—Other Russian cities intend to follow the example of St. Petersburg in dropping their Teutonic names, the Russian capital now being officially known as Petrograd. It is reported that the inhabitants of Kronstadt have started an agitation to have their city rechristened Benetsegored, or Koltingorod.

### SAYS CORPSES CHOKED THE MEUSE RIVER

A French Writer Describes the Fearful Slaughter of German Soldiers.

Special Cable Dispatch to The Sun.

PARIS, September 4. Edouard Heisey of Le Journal, reported to be now serving with the colors, writes under date of August 29: "It would be difficult to estimate the number of Germans killed last week. Whole regiments were annihilated at some points. They came out of the woods, section by section. One section, one shell—and everything was wiped out."

"At two or three places which I am forbidden to name corpses filled the Meuse until the river overflowed. This is no figure of speech. The river bed literally was choked by the mass of dead Germans. The effect of our artillery surpasses even our dreams. The Germans use out of date shrapnel which the Turks used in the Balkans. Its damages are so slight that one of our artillery regiments fought for a week losing only eight killed and fourteen wounded."

### GERMAN GIRL OF 17 A SPY.

Had Plans of Roads and Bridges Around Paris. LONDON, Sept. 4.—Teutonic correspondent at Dippel telegraphs: "A German girl, who appeared to be not over 17 years old, was arrested yesterday as a spy by English soldiers on the bridge over the Oise at Lacroix. She had in her possession plans of the roads and bridges about Paris. "A German spy wearing an English uniform was caught the same day and shot."

### GERMANS RUSH FRENCH LINE IN EFFORT TO ATTACK PARIS FROM ANOTHER DIRECTION

Another Strong Army Believed to Be Pushing Past Verdun—Berlin Declares French Centre Is Pierced

### LONDON HEARS GERMANS HAVE BEEN DRIVEN BACK TO ST. QUENTIN

Special Cable Dispatch to The Sun.

LONDON, September 4.

The British War Office issued the following statement to-night at 11:30: "The situation in the French theatre of war has not undergone substantial change. The position of the allies is well maintained.

"There are indications that a German movement is developing in an eastward and southward direction."

The British War Office announcement possibly means that part of the German army of the north commanded by Gen. von Kluck is making an effort to break through the French lines north of Paris, then to turn sharply to the south and strike Paris on the eastern side, at the same time cutting the line of communications between the capital and the main French army now confronting the army of the German Crown Prince on the Reims-Verdun line.

Heavy reinforcements have been reported as joining the army of the north in the past few days. The Germans have repeatedly attempted to pierce the French lines from St. Quentin south, but have merely succeeded in causing the allies to retreat unbroken.

Despatches to New York from Berlin yesterday said that the Germans had pierced the French centre near Verdun.

The French War Office reported yesterday that the Germans had been "partly checked" at Verdun.

### GERMANS CLAIM CAPTURE OF MEZIERES, NEAR VERDUN FORT

Special Cable Dispatch to The Sun.

LONDON, September 4.

Although the military government of Paris announces that there has been no fighting to-day about the French capital, reports from the Continent are to the effect that preparations are being made by the allies for a determined stand in front of the outer fortifications.

A despatch from Ostend, which may refer to earlier fighting, says it is reported that the German right wing has been checked and that the Germans have been compelled to retire on St. Quentin.

St. Quentin, already the scene of severe fighting between the allies and the Germans, is seventy miles northeast of Paris. If the report is true the Germans have been forced back from their

### ALLIES FALLING BACK TO SHELTER OF PARIS FORTS

Special Cable Dispatch to The Sun.

PARIS, September 4.

The military government of Paris issued the following communique at 11:30 to-night: "The movements of the opposed armies to-day went on without the enemy making any attempt against our various positions.

"German aeroplanes abstained from flying over Paris, as they did yesterday."

The military government of Paris issued the following communique at 3:35 o'clock this afternoon:

"As regards the army of Paris the movements of the opposed armies went on without any coming into contact with each other.

"As for the armies of the northeast,